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LEGAL AFFAIRS**

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
735 E. Michigan Ave.  
Lansing, Michigan 48912

**AGREEMENT  
FOR  
TENANT FILE AUDITS**

THIS AGREEMENT FOR TENANT FILE AUDITS (“Agreement”) is dated as of the 1<sup>st</sup> day of January, 200\_\_ between MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (the “Authority”), a public body corporate and politic of the State of Michigan, and \_\_\_\_\_, a \_\_\_\_\_ corporation (the Contractor”):

THE MEANING OF CAPITALIZED TERMS CAN BE  
DETERMINED BY REFERENCE TO SECTION 1.2.

**RECITALS:**

- (A) The Authority monitors developments financed or assisted by Programs, which include but are not limited to the following:
1. Project-Based Section 8 program (the “Section 8 Program”);
  2. Section 236 program (the “Section 236 Program”); and
  3. Low Income Housing Tax-Credit program (the “Low Income Housing Tax-Credit Program” or “LIHTC”);
  4. Rural Housing Service 515 program (the “Rural Housing Service 515 Program”)
  5. 80/20 Tax-Exempt program (the “80/20 Program”);
  6. 70/30 Tax-Exempt program (the “70/30 Program”);
  7. Taxable Bond program (the “Taxable Bond Program”);
  8. Neighborhood Preservation Program (the “Neighborhood Preservation Program”);
  9. TEAM Lending Program (the “TEAM”);
  10. HOME TEAM Advantage Program (the “HOME TEAM Program”);
  11. HOME program, which includes the following programs but not HOME—Community Development (collectively, the “HOME Program(s)”):
    - i. HOME--Specials Needs;
    - ii. HOME—Multi-Family;
    - iii. HOME—Equity Enhancement;
    - iv. HOME—Rural Initiative;

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v. HOME—NPP; and

vi. HOME; and

12. Pass-Through program (the “Pass-Through Program”).

- (B) To meet the requirements of the Act, the Authority engages independent contractors to perform certain necessary services;
- (C) In accordance with the terms of Resolution and Staff Report to the Board dated \_\_\_\_\_, 200 , the Authority wishes to enter into this agreement with the Contractor so that the Contractor will perform the Services described in Exhibit I, which is attached to and made a part of this Agreement.
- (D) The Contractor desires to offer his knowledge and expertise to perform the Services in accordance with the terms and conditions set forth in this Agreement.

Therefore, the Parties agree as follows:

**ARTICLE I.**

**INCORPORATION OF RECITALS; DEFINITION; INTERPRETATION**

**Section 1.1 Incorporation of Recitals.** The Recitals to the Agreement are, by this reference, incorporated into and deemed a part of this Agreement.

**Section 1.2 Definitions.** All capitalized terms used in this Agreement shall have the meanings given to those terms in this Section 1.2 or as elsewhere defined in this Agreement unless the context or use clearly indicates a different meaning.

**Assistance:** payments through a Program that enables a Development to subsidize rent for Households.

**Audit:** the process of the Contractor conducting a Tenant File Audit.

**Audit Fee:** “Audit Fee” has the meaning given to that term in Section 4.1 of this Agreement.

**Audit Letter:** “Audit Letter” has the meaning given to that term in Exhibit I of this Agreement.

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**Authority-Approved Form(s):** “Authority-Approved Form(s)” has the meaning given that term in Exhibit I of this Agreement.

**Authority-Financed Development:** a multi-family Development financed by an Authority mortgage loan.

**Bond-Financed Development(s):** a multi-family Development that is financed by an Authority mortgage loan through a program that is funded through the sale of bonds and includes 80/20 Program, the 70/30 Program, the Taxable Bond Program, the HOME TEAM Program, and the TEAM Program.

**Development:** a multi-family development or a home that receives assistance from or is financed through a Program.

**File Audit:** a Tenant File Audit.

**HOME Program:** “HOME Program(s)” has the meaning given to that term in Recital A(11).

**Household:** a Tenant and Members who reside in a Unit.

**HUD:** U.S. Department of Housing and Urban Development.

**IRS:** U.S. Department of Treasury--Internal Revenue Service.

**Key Person(s):** the Contractor’s employee(s) and/or agent(s) who perform Services or a subcontractor’s employees and/or agents who perform the Services. (See Article V.)

**Lease:** a written agreement between an Owner and a Tenant for the leasing of a Unit to the Tenant. The Lease establishes the conditions for occupancy of the dwelling by a family.

**Members:** persons who reside with the Tenant.

**Move-In:** the date on which a Household moves into a Unit.

**Owner:** owner of a Unit that is leased by a Tenant in the Program.

**Program:** an Authority sponsored or administered program—including, but not limited to, the Section 8 Program, the Section 236 Program, the 80/20 Program, the 70/30 Program, the Taxable Bond Program, the Low Income Housing Tax-Credit Program, the Neighborhood Preservation Program, the TEAM Program, the HOME Program, the HOME TEAM Program, and the Pass-Through Program--through which a Development or Unit is financed or receives assistance.

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**Programs:** collectively, Authority programs—including but not limited to the Section 8 Program, the Section 236 Program, the 80/20 Program, the 70/30 Program, the Taxable Bond Program, the Low Income Housing Tax-Credit Program, the Neighborhood Preservation Program, the TEAM Program, the HOME Program, the HOME TEAM Program, and the Pass-Through Program through which Developments or Units are financed or receives assistance.

**Register:** the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the 1980 Public Act 278, as amended, MCL 423.321, et seq. The United States National Labor Relations Board compiles this information.

**Regulations:** rules and provisions set forth in the Code of Federal Regulations that apply to a Program.

**Scope of Work:** all of the tasks and work described in Exhibit I of this Agreement that the Contractor is obligated to perform pursuant to the terms of this Agreement. The Scope of Work shall include any tasks and work necessary to provide Services.

**Services:** the work necessary to perform the tasks and services and/or produce the Work Product as required under the Scope of Work and this Agreement for the benefit of the Authority and/or on the Authority's behalf.

**State:** the State of Michigan.

**Tenant(s):** a person who leases a Unit from an Owner.

**Tenant File(s):** the file (or files) for a Tenant or Household held by the Development.

**Tenant File Audit:** a review by the Contractor of the Tenant File in accordance with the Scope of Work to determine compliance with a Program. -

**Unit:** an apartment within a Development; a house is a Development.

**Work Product(s):** any data compilations, reports, photos and any other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of and in furtherance of performing the Services.

**Section 1.3 Rules of Construction.** The rules of construction set forth in this Section 1.3 shall apply to this Agreement:

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**1.3(1)** The singular form of any word used in this Agreement, including the terms defined in Section 1.2, includes the plural, and vice versa, unless the context otherwise requires. The use in this Agreement of a pronoun of any gender includes correlative words of the other genders.

**1.3(2)** All references in this Agreement to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Agreement; the words “in this Agreement,” “of this Agreement,” “under this Agreement” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision of this Agreement.

**1.3(3)** Any captions, headings or titles of the Articles and Sections of this Agreement, and any table of contents appended to this Agreement, are solely for convenience of reference, do not limit or otherwise affect the meaning, construction or effect of this Agreement or describe the scope or intent of any provision of this Agreement. This rule of construction shall not apply to Exhibits or Schedules to this Agreement.

**1.3(4)** All accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with applicable generally accepted accounting principles as in effect from time to time.

**1.3(5)** Every “request,” “order,” “demand,” “direction,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent” or similar action under this Agreement by any party shall, unless the form to be used is specifically provided, be in writing and signed by a duly authorized representative of such party with a duly authorized signature. The parties acknowledge that the Contractor may use computer-generated signatures for correspondence addressed to owners and management agents and for reports to the Authority and that such signatures shall be deemed duly authorized by the Contractor.

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**1.3(6)** All references in this Agreement to “counsel fees,” “attorneys fees” or the like shall mean and include fees and disbursements allocable to in-house or of outside counsel, whether or not suit is instituted, and include fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceeding.

**1.3(7)** Whenever the term “includes” or “including” is used in this Agreement, such terms mean “includes or including by way of example and not limitation.”

**Section 1.4 Interpretation.** The parties to this Agreement acknowledge that each party and its counsel have participated in the drafting, review and revision of this Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment, modification, supplement or restatement of any of the foregoing or of any exhibit to this Agreement.

## **ARTICLE II.**

### **TERM OF AGREEMENT**

**Section 2.1 Initial Term.** The term of this Agreement will commence as of January 1, 200\_\_ and end on December 31, 20\_\_\_. This Agreement may be terminated prior to December 31, 200\_\_ in the manner described in Paragraph 2.2

**Section 2.2 Termination.** The Authority may terminate this Agreement immediately due, but not limited to, misconduct, malfeasance or material breach by the Contractor of the terms of this Agreement. The Authority may also terminate this Agreement upon the Contractor’s failure to rectify deficiencies in meeting the standards for performance established by the Authority, pursuant to specific notification in writing to the Contractor of such deficiencies not less than 60 days prior to the effective date of such termination. The Authority will not, under any circumstance or situation, be subject to liability for any loss, damage, or expense resulting from the Authority's termination of this Agreement.

**2.2.1** The Authority may terminate this Agreement if the IRS or HUD imposes new regulations that, in the sole opinion of the Authority, require substantially higher costs to the Authority. The Contractor may terminate this Agreement if the IRS or HUD imposes new regulations that, in the sole opinion of the Contractor,

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require, additional manpower or substantially higher costs to the Contractor. The party intending to terminate this Agreement under this subsection shall provide written notice to the other party of its intent to terminate this Agreement not less than 60 days prior to the effective date of such termination.

**2.2.2** Either party may terminate this Agreement by giving 60 days prior written notice.

**2.2.3** The Authority may terminate this Agreement if the Contractor, an officer of the Contractor, Key Person, or an individual with an ownership interest in the Contractor, or a subcontractor approved by the Authority is convicted of the following during the term of this Agreement:

- (1) a criminal offense incident to the application for or performance of an Authority agreement, public or private agreement or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for Authority of Michigan employees;
- (2) convicted under state or federal antitrust statutes; or
- (3) convicted of any other criminal offense, which in the sole discretion of the Authority, reflects upon the Contractor's business integrity.

**2.2.4** In the event either party terminates this Agreement, compensation will immediately cease as of the effective date of termination. The Contractor shall be compensated for fees earned prior to the date of termination in accordance with the terms of this Agreement.

**Section 2.3 Returns of Equipment and Documents.** Upon request of the Authority or upon termination, the Contractor will promptly return all Work Products, software, records, files, documents, correspondence, manuals, policy bulletins, seminar materials, and all other document, records and data, in written and electronic form, that are the property of the Authority. This Section 2.3 shall not be read, construed or interpreted to require the Authority to provide the Contractor with materials, supplies or equipment.

**Section 2.4 Liquidated Damages:** The parties acknowledge that the Authority will suffer damages if the Contractor fails to perform in accordance with the provisions of this Agreement or terminates this Agreement during the initial Term or any renewal Term without satisfying the notice provisions set forth in Section 2.2 above and the provisions for returning documents as set forth in Section 2.3 above, and that the amount of such damages will be difficult or impossible to calculate with reasonable certainty. Accordingly, if the Contractor fails

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to perform in accordance with the provisions of this Agreement or terminates this Agreement during the initial Term or any renewal Term without satisfying the notice provisions set forth in Section 2.2 above and the provisions for returning equipment and documents as set forth in Section 2.3 above, the Contractor shall pay to the Authority as liquidated damages, and not as a penalty, the sum of Six Thousand and no/100 Dollars (\$6,000.00). The Contractor shall pay the Authority the amount of liquidated damages due hereunder within 60 days after receipt of written demand for payment from the Authority.

**ARTICLE III.**

**SERVICES**

**Section 3.1 Services by Contractor.** The Services described in Exhibit I define and constitute the scope of the work for which the Contractor is responsible under this Agreement. The Contractor agrees to faithfully and promptly perform such services, in full compliance with the requirements of the Authority and of the Act and the Regulations.

**Section 3.2 Procedures, Standards and Forms.** The Contractor acknowledges that the procedures, standards and forms required for performing the Services are subject to change by the Authority. Changes in the procedures, standards and forms shall be deemed to be within the scope of work as long as the procedures, standards and forms do not materially increase the time necessary to perform the tenant file audits.

**Section 3.3 Authority and HUD Requirements.** In performing its duties and responsibilities hereunder, the Agent will comply at all times with all applicable HUD and Authority Equal Opportunity rules, regulations, and requirements.

**Section 3.4 Economy.** The Contractor shall make a good faith effort to perform the Services in an economical manner. Such efforts shall include scheduling visits to Developments, preparing for visits, and organizing work so that all applicable and necessary Services are performed at the Development during the visit. The Contractor shall also maintain an office in Michigan. The Authority shall make a good faith effort to provide accurate information to the Contractor in a timely manner.

**ARTICLE IV.**

**COMPENSATION**



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**Section 4.1 File Audit Fees.** The Authority will pay the Contractor a fee for each File Audit performed at a Development (the “Audit Fee”) in the amounts set forth in Exhibit II, which is attached to and made a part of this Agreement, subject to the conditions in this Agreement. The Audit Fee includes any and all direct and indirect expenses that the Contractor incurs in the preparation of, training for, and performance of services under this Agreement.

**Section 4.2 Sum of Fees Paid.** The total sum of all payments, including all Audit Fees and Inspection Fees and reimbursement, if any, paid by the Authority to the Contractor, shall not exceed \$200,000.

**Section 4.3 Billing Process for Tenant File Audits and Physical Inspections.** The Contractor will comply with the billing requirements for Tenant File Audits described in Exhibit II of this Agreement. The Contractor acknowledges that as a condition of payment, bills must be submitted in the manner described in Exhibit II of this Agreement.

**Section 4.4 Out of Pocket Expenses.** The Authority shall not reimburse the Contractor for out of pocket expenses.

**ARTICLE V.**

**CONTRACTOR QUALIFICATIONS AND TRAINING**

**Section 5.1 Contractor Qualifications.** The Contractor confirms that the Contractor and its Key Persons possesses the knowledge and skills necessary to perform the Services.

**Section 5.2 Knowledge of Programs.** The Contractor and Authority acknowledge that the Contractor’s and Key Person’s qualifications at the time it enters into this Agreement need not include knowledge of the requirements of each Program unique to the Authority.

**Section 5.3 Key Persons.**

**Section 5.3.1 Performance of Services.** The Contractor acknowledges that only Key Persons shall perform the Services. Key persons include the names of all employees and agents of the Contractor who have contact with Authority staff. (The term “contract” shall include, but not be limited to, “one-on-one” meetings and the exchange of letters, messages, or information via hand delivery, telephone, voice mail, U.S. mail, electronic mail, facsimile, or commercial delivery service.)

**Section 5.3.2 Assignment of Key Persons.** The Authority reserves the right to approve the Contractor’s assignment of Key Persons to perform the Services and to recommend reassignment of personnel deemed unsatisfactory by the Authority. The Contractor agrees that the continuity of Key Persons is critical. The addition or removal of Key Persons without the written consent of the Authority may be considered by the Authority to be a material breach of this Agreement. The

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prohibition against removal or reassignment shall not apply where Key Persons must be replaced for reasons beyond the reasonable control of the Contractor, including, but not limited to, illness, disability, resignation or termination of a Key Person's employment as long as a Key Person is available to render Services for the Contractor.

**Section 5.3.3 Certificate Verifying Key Persons.** Prior to executing this Agreement, the Contractor shall provide to the Authority the names of all Key Persons by completing Exhibit III, which is the Certificate Verifying Key Persons of the Contractor ("Certificate"). In the event the Contractor fails to provide to the Authority the names of any Key Persons, the parties shall consider the signatory for the Contractor to be the sole Key Person for the Contractor. The Authority and Contractor will evidence changes to the Certificate by handwriting, initialing and dating changes to the Certificate.

**Section 5.4 Maintenance of Legal Existence.** At the execution and throughout the term of this Agreement, the Contractor shall operate as a limited liability corporation, corporation, or similar entity registered, in good standing, and authorized to do business in the State of Michigan and will provide valid documentation of same upon request.

**Section 5.5 Contractor Orientation.** During the term of this Agreement, the Contractor shall participate in orientations and workshops provided by the Authority to help the Contractor develop expertise and familiarity with the Authority's specific requirements and quality requirements, which may include:

- (a) the requirements of the Authority's specific policies and procedures for each Program, governing Regulations, and performance standards and expectations;
- (b) the respective responsibilities and duties of the Contractor and the Authority in connection with the Services;
- (c) forms that the Contractor will use when providing the Services; and

**Section 5.6 Training and Certification for File Audits.** The Contractor shall ensure that Key Persons who perform File Audits have received appropriate training from a program approved by HUD or the Authority. The Contractor shall provide recent certificates of training for each Key Person who performs File Audits, thereby certifying that the Key Person is adequately trained to perform File Audits as described in this Agreement.

**Section 5.7 HUD Handbook 4350.3 and Occupancy Requirements of Subsidized Multifamily Housing Programs.** The Contractor will annually attend workshops or seminars that provide training on HUD Handbook 4350.3 and Occupancy Requirements of Subsidized Multifamily Housing Programs. The Contractor will annually attend a tax credit compliance seminar if the Contractor performs File Audits for Developments assisted through the Low Income Housing Tax-Credit Program.

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**Section 5.8 Reimbursement by Authority.** The Authority shall not reimburse the Contractor for the cost of or expenses incurred in connection with workshops or seminars.

**Section 5.9 Notice Of Changes In Policy and Procedure.** The Authority will confirm in writing any applicable changes in the Program, specifically modifications to policies and procedures that are adopted during the term of the Agreement. The Contractor shall implement the modified policies and procedures within 30 days of the date of the notice or modification to policies and/or procedures. Authority staff shall be available to explain modified policies and procedures to the Contractor.

**ARTICLE VI**

**INDEMNIFICATION AND INSURANCE**

**Section 6.1(1) General Indemnification.** The Contractor shall indemnify, defend and hold harmless the Authority, its Board, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- (a) any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from (1) the Services provided or (2) performance of the Services, the duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Agreement. .
- (b) any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Agreement;
- (c) any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
- (d) any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if

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any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the Authority;

- (e) any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

**Section 6.1(2) Patent/Copyright Infringement Indemnification.** The Contractor shall indemnify, defend and hold harmless the Authority, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the Authority to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States.

**Section 6.1(3). Indemnification Obligation Not Limited.** In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

**Section 6.1(4) Continuation of Indemnification Obligation.** The duty to indemnify will continue in full force and affect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

**Section 6.2(1) Purpose and Proof of Insurance.** The Contractor shall purchase and maintain such insurance as will protect it and the Authority from claims which may arise out of or result from the Contractor's performance of the Services, whether performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

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**Section 6.2(2) Waiver of Subrogation.** The Contractor waives all rights against the Authority, its Board, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Agreement. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

**Section 6.2(3) Required Insurance Coverages.** All insurance coverages provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the Authority. The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the Authority. The Authority reserves the right to reject insurance written by an insurer the Authority or State deems unacceptable.

**Section 6.2(4) Certificates of Insurance.** Before both parties sign this Agreement, the Contractor must furnish to the Authority's Director of Legal Affairs or Finance Certificates of Insurance verifying insurance coverage. The Certificate must be on the standard "Accord" form. The Contract Number for this Agreement must be shown on the Certificate of Insurance to assure correct filing. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice having been given to Authority's Director of Legal Affairs. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: Director of Legal Affairs, MSHDA, 735 E. Michigan Avenue, P.O. Box 30044, Lansing, MI 48912.

**Section 6.2(5) Types and Amount of Coverage.** The Contractor is required to provide the type and amount of insurance set forth below:

- (a) General Liability Insurance with the following minimum coverage:  
\$1,000,000 each occurrence and \$1,000,000 annual aggregate
- (b) Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable.

**Section 6.2(6) Failure to Maintain Insurance Coverage.** Failure to secure and/or maintain insurance coverage shall be deemed a material breach and grounds for termination of this Agreement.—

**ARTICLE VII.**

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**RECORD KEEPING, PRIVACY, AND FREEDOM OF INFORMATION ACT**

**Section 7.1 Tenant's File.** While performing Tenant File Audits, the Contractor will maintain in good order and return the Tenant File to the Development in the same condition.

**Section 7.2 Providing Information and Reports to Authority.** Upon the written request of the Authority, the Contractor will furnish any and all requested information or reports with respect to any and all matters relating to this Agreement and a Program.

**Section 7.3 Record Keeping for Auditing and Monitoring of Services.** The Contractor will maintain such records as are deemed necessary by the Authority to ensure proper auditing and monitoring of services. These records will be made available for auditing and monitoring purposes to the Authority and the Auditor General of the State of Michigan, or any authorized representative, at the site of the services or as otherwise agreed between the parties. The Contractor shall retain and make available to the Authority (and the Auditor General of the State of Michigan, or any authorized representative) the records for three (3) years after the expiration of this Agreement or extension thereof unless permission to destroy them on an earlier date is granted by both the Authority and the State of Michigan.

**Section 7.4 Availability of Records to Authority.** Upon the written request of the Authority, the Contractor will furnish to the Authority any and all requested information or reports with respect to any and all matters relating to this Agreement.

**Section 7.5 Disclosure of Information and Records.** Neither the Contractor nor its agents or contractors shall disclose information or documents created or maintained in connection with this Agreement to anyone other than the Contractor's staff assigned to this Agreement or Authority staff, without the direction or prior consent of Authority staff. Neither the Contractor nor its agents or contractors shall use information or documents created or maintained in connection with this agreement to further any private interest, other than as contemplated by this Agreement, without the prior consent of the Authority.

**Section 7.6 Privacy and FOIA.** The Contractor will maintain all records of information on Households in strict confidence and will ensure that the privacy of the Households is maintained in accordance with applicable state and federal laws including the state Freedom of Information Act, the federal Freedom of Information Act, and the federal Privacy Act. The Contractor shall not accept on the Authority's behalf subpoenas, requests to produce documents, or requests for documents or information under the state Freedom of Information Act or the federal Freedom of Information Act. The Contractor shall inform persons submitting such subpoenas and requests that the Contractor is not authorized to accept or process such documents on behalf of the State of Michigan or the Authority.

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**Section 7.7 News Releases.** News releases pertaining to this Agreement, the Work Product, or Services will not be made without prior written Authority approval, and then only in accordance with the explicit written instructions from the Authority. No results of the Agreement, Work Product, or Services are to be released without prior approval of the Authority and then only to persons designated.

**ARTICLE VIII**

**ETHICS**

**Section 8.1 Covenant Not to Discriminate.** The Contractor will comply with all requirements imposed by Title VIII of the Federal Civil Rights Act of 1968, as amended, the Elliott-Larsen Michigan Civil Rights Act, the Michigan Handicappers Civil Rights Act, and Title VI of the Federal Civil Rights Act of 1964; the regulations of HUD-issued thereunder, 24 CFR, Subtitle A, part 1, Section 1.1 et. Seq.; the requirements of HUD pursuant to the regulations; and Executive order 11063, to the end that, in accordance with the Act the regulations and requirement of HUD thereunder, and the Executive Order, no person will, on the grounds of race, color, creed, religion, handicap, familial status, marital status, or national origin, be excluded from participation in, or be denied the benefits of, the Program or be otherwise subject to discrimination. The Contractor is obligated to comply with this provision to the benefit of the United States, HUD and the Authority, each of which will be entitled to invoke any remedies available by law to redress any breach thereof or to compel compliance therewith by the Contractor.

**Section 8.2 Workplace Safety and Discrimination Harassment.** In performing services for the Authority pursuant to this Agreement, the Contractor shall comply with Michigan Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. The Michigan Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at [www.state.mi.us/mdcs/Regindx](http://www.state.mi.us/mdcs/Regindx).

**Section 8.3 No Gifts.** The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the Authority.

**Section 8.4 Conflicts of Interest.**

(a) **Present and Former Authority Members and Public Officials.** No present or former member or officer of the Authority (except tenant commissioners), no employee

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of the Authority who formulates policy or influences decisions with respect to the Program, and no public official or member of a governing body or state or local legislator who exercises functions or responsibilities with respect to the Program, during this person's tenure or for one year thereafter, will have any direct or indirect interest in Housing Assistance Contracts or in any proceeds or benefits arising from them, other than those outlined within the Administrative Services Agreement. HUD may waive this provision for good cause under certain circumstances.

**(b) Units Owned, Managed or Listed for Sale by Contractors.** The Contractor will acknowledge that it does not own or have an interest in any Units subject to a Tenant File Audit. The Contractor shall further confirm that it does not manage or list for sale any Units subject to a Tenant File Audit.

**(c) Participation in Other Authority Programs.** The Contractor will not participate in any other Authority housing program or do business with the Authority under any other program in which the Authority has a direct or indirect relationship without first providing written notice to the Authority's Compliance Manager and the Director of Legal Affairs.

**(d) Providing Services for Owner or Management Agents of Developments.** The Contractor shall not provide or perform any services for persons or entities that have an interest in Developments for which the Contractor is performing File Audits and/or Physical Inspections without first providing written notice to the Authority's Compliance Manager and the Director of Legal Affairs and receiving permission to perform specific services. Persons or entities with interests in the Development include but are not limited to (a) owners, (b) management agents, or (c) persons or entities that have an interest in the owners or management agents.

**Section 8.5 List of Potential Conflicts of Interest.** Prior to execution of this Agreement, the Contractor shall provide the Authority a written list of all interests of the Contractor, or its officers and employees, which may create conflicts between the interests of those entities or parties and the interests of the Authority under this Agreement. The Contractor acknowledges that its employees, members, shareholders, agents, or independent contractors prior to or during the term of this Agreement are not employees of the State of Michigan or its units. Should a conflict of interest arise during the term of this Agreement, the Contractor shall contact the Authority's Director of Legal Affairs immediately and describe in detail the conflict of interest.

**Section 8.6 Unfair Labor Practices.** Pursuant to 1980 Public Act 278, as amended, MCL 423.321, et seq, the Authority shall not award a contract or subcontract to an employer whose name appears in the Register (of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act). A contractor of the Authority, in relation to a contract, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this Register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the



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Authority may void any contract, including this Agreement, if, subsequent to award of a contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the Register

**ARTICLE IX.**

**LEGAL MATTERS**

**Section 9.1.1 Notice of Convictions and Criminal Investigations.** Prior to the execution of this Agreement, the Contractor shall notify the Authority if it, or its officers, directors, or Key Personnel, any of its subcontractors, or their officers, directors, or Key Personnel under this Agreement, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the Authority of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Agreement and three years thereafter.

**Section 9.1.2 Notice of Civil Claims.** The Contractor shall notify the Authority of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years proceeding its bid proposal, or which may occur during the term of this Agreement or three years thereafter, which involve (1) products or services similar to those provided to the Authority under this Agreement and which either involve a claim in excess of \$50,000 or which otherwise may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, including this Agreement, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any an amount less than \$50,000 shall be disclosed to the Authority to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.

**Section 9.1.3 Notice Requirements for Criminal and Civil Claims.** All notices under subsection 1 and 2 herein shall be provided in writing to the Authority within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements that are prevented from disclosure by the terms of the settlement shall be annotated as such. Semi-annually, during the term of the Agreement, and thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the Authority.

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**Section 9.1.4 Assurances.** In the event that such investigation, litigation, arbitration or other proceedings disclosed to the Authority pursuant to this Section, or of which the Authority otherwise becomes aware, during the term of this Agreement, causes the Authority to be reasonably concerned about:

- a) the ability of the Contractor or its subcontractor to continue to perform this Agreement in accordance with its terms and conditions, or
- b) whether the Contractor or its subcontractor in performing the Services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Agreement or violation of Michigan or Federal law, regulation or public policy, then:

the Contractor shall be required to provide the Authority all reasonable assurances requested by the Authority to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Agreement in accordance with its terms and conditions, (b) the Contractor or its subcontractors will not engage in conduct that is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings while performing Services under this Agreement.

**Section 9.1.5 Failure to Comply with Section 9.1.** The Contractor's failure to fully and timely comply with the terms of Section 9.1 and subsections thereof, including providing reasonable assurances satisfactory to the Authority, may, at the Authority's sole option, constitute a material breach of this Agreement.

**Section 9.2 Arbitration.** Notwithstanding anything to the contrary contained herein, upon the demand of either party, any dispute shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its Arbitration Rules for Commercial Financial Disputes in effect at the time, including, if applicable, the Supplementary Procedures for Large, Complex Disputes, but excluding the use of the Expedited Procedures (as modified, the "AAA Rules"). Arbitration shall be governed by the Federal Arbitration Act and shall be conducted in the State of Michigan or any other place mutually agreed upon by the parties. Judgment upon any award rendered may be entered in and specifically enforced by any court having jurisdiction. The award of the arbitrators shall specify in writing the factual and legal basis for the award. All awards shall be limited to the parties' actual damages and the arbitrators shall have no authority to award punitive damages. The parties agree to keep all disputes and arbitration proceedings hereunder confidential to the extent permitted by law. If a party fails to answer or otherwise acknowledge a demand to arbitrate a dispute in accordance with the AAA Rules, the arbitrators shall enter an award without a hearing in favor of the party demanding the arbitration. The parties understand and agree that no dispute decided by arbitration may later be pursued before a court except for the purpose of enforcing (i) compliance with this arbitration provision, or (ii) a final decision by the arbitrators.

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**Section 9.3.2 Ownership of Data and Records.** Any and all Work Products shall be deemed the property of the Authority

**ARTICLE X.**

**ANNUAL AUDITS**

**Section 10.1 Performance Review.** The Contractor's performance under this Agreement will be reviewed at least annually to ascertain compliance with this Agreement. Authority staff shall conduct the review.

**Section 10.2 Unsatisfactory Rating.** If the Contractor's performance is deemed unsatisfactory, the Contractor will be notified in writing of the specific deficiencies in performance of this Agreement. If the deficiencies are not corrected to the satisfaction of the Authority within 60 days, the Authority may, in its sole discretion, terminate this Agreement.

**ARTICLE XI.**

**INDEPENDENT CONTRACTOR RELATIONSHIP**

**Section 11.1 Independence of Contractors.** The Authority shall retain the Contractor as an independent contractor, and the Contractor hereby accepts such independent contractor relationship, upon the terms and conditions set forth in this Agreement. Nothing in this Agreement shall be construed to create the relationship of employer and employee between the Authority and the Contractor or any of its employees or agents. The Contractor, its employees and agents, shall be deemed at all times and for all purposes to be independent contractors. The Contractor acknowledges and agrees that all payments by the Authority to the Contractor shall be made without deduction for federal, state or local income taxes, social security taxes and similar items and that the Contractor shall be solely responsible to report income under this Agreement to the Internal Revenue Service and other appropriate taxing authorities and to pay such taxes (including, without limitation, being solely responsible to make periodic estimated payments of such taxes in accordance with applicable law). The Contractor further acknowledges and agrees that all payments under this Agreement to the Contractor by the Authority shall be reported to the IRS and other appropriate taxing authorities as required by law.

**ARTICLE XII.**

**MISCELLANEOUS PROVISIONS:**

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**Section 12.1 Governing Law.** This Agreement will be construed in accordance with and governed by the laws of the State of Michigan exclusive of its conflict of laws principles.

**Section 12.2 Notice.** All notices required by this Agreement concerning the Contractor's termination or resignation, or non-renewal of this Agreement, will be in writing and shall be deemed given (i) when delivered by hand (including courier) or when such delivery is refused, (ii) when delivered by registered or certified mail (return receipt requested) or when such delivery is refused, or (iii) when delivered by a nationally recognized overnight delivery service which maintains records of time, place, and recipient of delivery, in each case to the parties at the following addresses or to other addresses as may be furnished in writing by one party to the other in accordance herewith:

**Authority:** Compliance Manager  
Michigan State Housing Development Authority  
735 E. Michigan Ave., P. O. Box 30044  
Lansing, MI 48909

With a copy  
to: Director of Legal Affairs  
Michigan State Housing Development Authority  
735 E. Michigan Ave., P. O. Box 30044  
Lansing, MI 48909

**Contractor:**

All other notices, consents, or communications required by or concerning this Agreement, exclusive of those concerning the Contractor's termination or resignation, or non-renewal of this Agreement, will be in writing and shall be deemed given when sent via U. S. Mail, Courier, Commercial Delivery Service, Facsimile or Electronic Mail. To the extent that HUD or the Authority requires communication by Electronic Mail, the Contractor will comply with that requirement.

**Section 12.3 Partial Invalidity.** Whenever possible, each provision of this Agreement shall be interpreted in such a way as to be effective and valid under applicable law. If a provision is prohibited by or invalid under applicable law, it shall be ineffective only to the extent of such provision or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

**Section 12.4 Titles and Headings.** Titles and heading to articles, sections, or paragraphs in this agreement are inserted for convenience of reference only and are not intended to affect the interpretation or construction of the agreement.

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**Section 12.5 Remedies Cumulative.** The remedies provided in this agreement shall be cumulative, and the assertion by any party of any right or remedy shall not preclude the assertion by such party of any other rights or the seeking of any other remedies.

**Section 12.6 Successors and Assigns; Parties in Interest.** This agreement shall be binding on and inure to the benefit of the parties to it and their successors. The obligations, interests and responsibilities of the Contractor under this Agreement shall not be assigned without the prior written consent of the Authority.

**Section 12.7 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts shall together constitute but one and the same instrument.

**THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY**

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**Section 12.8 Amendments and Modifications.** THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES TO IT AND SUPERCEDES ANY PRIOR UNDERSTANDING OR AGREEMENTS WITH RESPECT TO CONTRACTING FOR THE CONTRACTOR'S SERVICES. THIS AGREEMENT MAY BE AMENDED ONLY BY A WRITTEN INSTRUMENT EXECUTED BY ALL PARTIES TO IT.

The parties have executed this Agreement as of the date first above written.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

By:\_\_\_\_\_

Its: Director of Legal Affairs

\_\_\_\_\_, a \_\_\_\_\_ corporation

By:\_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
Federal Employer Identification Number

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**EXHIBIT I**

**SCOPE OF WORK FOR PERFORMING TENANT FILE AUDITS**

**1.1 General:**

Tenant file audits are required to determine if owners of housing developments funded under certain government programs are complying with the regulations and requirements of those programs. These regulations include certifying the incomes of tenants and ensuring that incomes and rents are within program guidelines.

Tenant file audits must be completed every 18 months for Section 8, Section 236 and bond financed developments, and every 3 years for Low Income Housing Tax Credit developments. Developments with multiple sources of funding will default to the most restrictive program requirement.

The contractor's primary responsibilities during the tenant file audit will be to determine if the household is eligible and in compliance with applicable program regulations and requirements by reviewing the following information:

- The income at move-in of each household, and the documentation used to determine that income. (Note: Move-in information may not be available for Section 8 and Section 236 developments. If the information is not available, the contractor shall note it, but this shall not be considered a compliance violation. However, if the development has Section 8 and LIHTC, missing move-in documentation must be reported as non-compliance)
- The current income of each household, and the documentation used to determine that income.
- Deductions and allowances (i.e. medical, elderly and dependent) for each household and the documentation used to determine those deductions and allowances.
- Supplemental documentation. (i.e. social security cards, birth certificates, etc.)
- The composition of each household, and related student status, elderly status, if applicable.
- Recertifications for each household.
- The rent amount charged to each household.
- The lease agreement.
- The consistency of the information provided in the tenant file, on reports submitted to MSHDA by the owner, the owner's rent roll, and the lease agreement.
- For all developments, obtain the current number of vacant units and vacancy percentage. If the percentage of vacancy is 10% or higher, obtain an explanation and improvement plan for addressing the vacancy issue.
- For Section 8 developments, obtain a copy of the incorrect and corrected versions of 50059 forms and HAP voucher adjustments and provide these documents to the Authority.
- For Section 236 developments, obtain a copy of the incorrect and corrected versions of 50059 forms and provide these documents to the Authority.
- Other items and information as specified by the Authority.

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**1.2 Developments To Be Audited:**

1. The Authority will give contractors a list of developments and due dates for performing Tenant File Audits. The Authority may designate specific units to audit.
2. The Contractor shall audit the following percentages of files for the Programs described below:
  - **Low Income Housing Tax Credit Developments:** 20% of the low-income units in each building of the development. (The Contractor shall not audit market rate-units).
  - **Bond-Financed Developments:** 20% of the total units (including low income and market rate units)
  - **Section 8 Program and 236 Developments:** 20% of the total units in the Development (The Contractor shall not audit market rate-units).
  - **Developments with Financing from Various Programs:** The greater of (a) 20% of the low-income units in each building or (b) 20% of the total units in the development.

The Authority reserves the right to require the contractor to review a higher percentage of the records, if the Authority deems this necessary and appropriate based on the results of the previous tenant file audit.

3. For Low Income Housing Tax Credit units, a Tenant File Audit shall be performed no more than 30 days after the Physical Inspection has been performed and the File Audit shall include the same units the Physical Inspection Contractor inspected. The Authority will provide the contractor with a list of units for which the tenant files are to be audited. For all other properties, the contractor will randomly select the tenant files to be audited.

**1.3 Scheduling Tenant File Audits:**

1. The Contractor will schedule Tenant File Audits by providing written notice to the development's Management Agent as specified by the Authority at least twenty (20) business days prior to the scheduled Audit date.
2. The Contractor shall provide the management agent with at least 20 business days advance written notice through a scheduling letter.
  - a. The scheduling letter must include the date of the Tenant File Audit, the Contractor's anticipated arrival time, and the location of the Tenant File Audit.
  - b. The Contractor will address the scheduling letter to the management agent for the development. Copies will be sent to the Owner, the Authority's Office of Compliance Monitoring. For Authority-financed developments, a copy will also be sent to the Authority's Asset Manager.

**1.4 Performing Tenant File Audits:**

1. The Contractor shall perform Audits within a timeframe specified by the Authority.



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2. The Contractor must obtain the development's rent roll.
3. The results of each Tenant File Audit shall be in an electronic format accessible to the Authority. The Contractor must complete the Audit Report for each development by recording tenant file data for each unit electronically through the use of Microsoft compatible software. Excel, Access or a compatible product should be utilized for recording tenant data and tracking Management Agent responses. Microsoft Word or a compatible product should be utilized for correspondence.
4. The Contractor will verbally review, in person, the Tenant File Audit findings and results with the Management Agent personnel on-site during the Audit, if Management Agent personnel are available. The Contractor will verbally explain the results of the Tenant File Audit to the development's Management Agent representative at the conclusion of the File Audit, if such representative is available on-site at the conclusion of the Tenant File Audit.

**1.5 Notification of Compliance/Non-Compliance:**

1. The Contractor will prepare and submit an audit letter and tenant file audit report documenting the results of the audit to the Management Agent/Owner and the Authority within 20 business days after the date the Tenant File Audit was performed.
  - a. The audit letter and report must be in a predetermined format acceptable to the Authority. The Contractor shall state in the audit letter that, based on the files reviewed, the Contractor believes that the development complies (or does not comply) with program requirements.
  - b. For all units cited as having potential compliance issues, the report must indicate:
    - required and/or suggested corrective actions
    - date each unit identified was "out of compliance"
    - appropriate correction deadline
2. The Contractor will "score" the Tenant File Audit in accordance with Authority guidelines.
3. If no response is received by the correction deadline, the Contractor will send a letter to confirm that no response was received.
4. After the correction deadline has expired, the Contractor will report corrected and non-corrected compliance issues to the Management Agent/Owner and the Authority.

The report must indicate the date each unit was brought "back in compliance. MSHDA will then continue to work with the management agent/owner to correct the outstanding noncompliance issues.

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The Contractor will report correction or non-correction of noncompliance to the Authority within 14 days of the end of the correction period.

**Requirements for the Audit Letter and Report**

- Audit Letter – Contractor must use Authority-approved language.
- Summary Sheet – Contractor must use Authority-approved Form.
- Compliance Report – Contractor must use Authority- approved language.
- Reviewed Units—Contractor must list all Units reviewed, including those with no compliance issues. For each Unit, indicate the Unit number, tenant name, and move-in date.
- Corrective Action---for all Units cited as having potential compliance issues, the Contractor must list required and/or suggested/possible corrective actions that the Owner/management agent can take.
- Correction Deadlines—Contractor must clearly identify the correction deadline. The correction deadline cannot exceed 90 days. If no response is received by the correction deadline, the Contractor will send a final letter to confirm that no response was received.
- Address for Responses to Audit Letter--Contractor shall include the address that corrective materials must be sent to or indicate that the Contractor will conduct a follow-up on-site audit.
- Addressee of Audit Letter—Contractor shall address the Audit Letter to the management agent for the Development. The Contractor shall send copies to the owner, and the Authority's Office of Compliance Monitoring.
- Compliance (or Non-Compliance) with Program Requirements—the Contractor should state in the Audit Letter that, based on the files reviewed, the Contractor believes that the Development complies (or does not comply) with Program requirements.

**1.6 Review of Management Agent/Owner Response and Follow-up Letter:**

1. When the Management Agent/Owner responds to cited findings and forwards corrections to the Contractor, the Contractor shall notify the Management Agent/Owner in writing that the response is either acceptable or that outstanding issues still exist that must be resolved. If outstanding issues still exist, the Contractor shall notify the Management Agent/Owner of the corrective action that is required and/or recommended. The Contractor shall forward a copy of its response to the Authority's Office of Compliance Monitoring. If all items have been corrected, no additional follow-up is required. If outstanding items still exist, MSHDA will take appropriate action to resolve the issues.
2. If the Management Agent/Owner does not respond within the required time period, the Contractor will issue a non-response letter to the Management Agent/Owner (with a copy to MSHDA Compliance Monitoring). When the Management Agent/Owner's response is received, the Contractor will review the response as indicated in item #1 above. If no response is received, the Contractor will send a letter to the Agent/Owner indicating that no response was received and all outstanding issues have been referred to MSHDA for corrective action.

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3. The Contractor shall be available to the Authority to discuss responses from Management Agents/Owners.

**1.7 Additional Contractor Requirements:**

- 1. Work with the Compliance Monitoring staff to insure uniformity in audit and reporting procedures:**

To ensure uniformity in the tenant file audits, all contractors must attend workshops provided by the Authority to discuss the forms that must be included in the tenant files, the forms required for monitoring tenant files, and the standards to which the audits are to be conducted.

- 2. Attend Trainings on HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs and LIHTC Training:**

All contractors must attend trainings on HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs on an annual basis. Contractors performing audits on Low Income Housing Tax Credit developments must also attend at least one tax credit compliance seminar each year. The Authority will not cover the costs for attending these trainings.

- 3. Meet with Authority Staff as Needed to Review Work Progress and Audit Results:**

Periodic meetings will be scheduled with all contractors to ensure familiarity with state agency policies and to review work progress and audit results.

EXHIBIT III

CERTIFICATE VERIFYING KEY PERSONS OF THE CONTRACTOR

The Contractor acknowledges that the following personnel are Key Persons of the Contractor in accordance with Section 5.3 of the Agreement:

(1) Name \_\_\_\_\_  
(Print or type Name above line)

Title with Contractor \_\_\_\_\_

(2) Name \_\_\_\_\_  
(Print or type Name above line)

Title with Contractor \_\_\_\_\_

(3) Name \_\_\_\_\_  
(Print or type Name above line)

Title with Contractor \_\_\_\_\_

\_\_\_\_\_  
Print or Type Contractor Name Above Line

By: \_\_\_\_\_  
(Signature) Date

Name of Signatory for Contractor: \_\_\_\_\_  
Print/Type Name of Signatory above Line

Its: \_\_\_\_\_

Federal Identification Number: \_\_\_\_\_

**APPROVED:**  
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Date

Its: Compliance Manager

### **AGREEMENT TO USE AND RELEASE INFORMATION TO AUTHORITY**

Sherri—If the person is simply reviewing files, it's questionable whether this will be necessary. You would have to arrange for Existing Housing to perform the ICHAT review.

***[Instructions to Contractor: Please have each Key Person sign the Agreement to Use and Release Information to Authority ("Release"). The Authority will approve a Key Person only if (a) the Key Person signs the Release and (b) the Internet Criminal History Tool review does not reveal any criminal records that the Authority, in its sole discretion, deems unacceptable. Please use one Release for each Key Person.]***

I hereby agree to disclose my name, title, and Social Security Number, to the Michigan State Housing Development Authority ("Authority") for the purpose of allowing the Authority to perform an Internet Criminal History Access Tool ("ICHAT") review. I understand that the Authority will use the ICHAT review to determine whether I can serve as a Key Person for the Contractor and perform Services as an employee or agent of the Contractor under the Agreement for Development/Unit Inspections between the Contractor and the Authority. I understand that my Social Security Number will not be available to the public.

**Name** \_\_\_\_\_  
***(Print or type Name above line)***

**Name of Contractor** \_\_\_\_\_

**Title with Contractor** \_\_\_\_\_

**Social Security Number** \_\_\_\_\_

**Signature:** \_\_\_\_\_